Saskatchewan
Ministry of
Agriculture

MANAGEMENT

Cash Lease Agreements

Disclaimer and Important Notice

This publication outlines some of the information and considerations of leasing privately owned land.

This publication serves only as a guide and is not to be relied on as an interpretation or complete coverage of all the laws affecting land rental arrangements. The Government of Saskatchewan assumes no responsibility towards persons using it as such.

It is important to discuss your specific situation and all land rental arrangements with your lawyer, accountant and tax consultant before signing a lease agreement.

Legislation pertaining to cash lease agreements

Provincial legislation

The Family Property Act
The Arbitration Act, 1992
The Agricultural Leaseholds Act
The Land Titles Act, 2000
The Homesteads Act, 1989

Federal legislation

Income Tax Act

Copies of the provincial legislation can be found on the Queen's Printer pages of the Government of Saskatchewan website at www.qp.gov.sk.ca. Federal legislation can be accessed through the same website.

Forms discussed in this booklet

Samples of the following forms are found on pages 15-21.

Consent of Non-Owning Spouse
Certificate of Acknowledgement
Affidavit of Landlord
Affidavit of Execution
Consent to Make Major Improvements
Lease Renewal
Caveat
Withdrawal and Discharge of Caveat

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For more information about this publication, contact a Ministry of Agriculture Regional Office or the Agriculture Knowledge Centre.

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This publication and other Saskatchewan Agriculture publications are available from the Agriculture Knowledge Centre, or the Saskatchewan Agriculture website at www.agriculture.gov.sk.ca.

Introduction

A land lease agreement is a legal document that sets out the terms of an agreement between a landlord and tenant.

There are many items and conditions that need to be included as terms of an agreement.

The landlord and tenant must carefully examine the various terms and conditions to ensure that they are acceptable to both parties.

This publication provides sample clauses for a cash lease agreement. Also included are samples of various forms which may be needed as part of a lease agreement.

Landlords and tenants must remember that agriculture is cyclical. With this uncertainty, agreements in excess of three years should provide for a periodic review of the essential terms.

In a cash lease the tenant pays a fixed payment to the landlord for renting the land and improvements. This fixed payment is agreed to in advance of the growing season and is payable regardless of a crop failure or low prices. Typically, the tenant supplies labour and machinery and pays all the expenses except for property taxes, building insurance and major building repairs. For this, the tenant receives all the income.

A cash lease may have distinct advantages over a crop share lease for absentee landlords who do not have a good understanding of agriculture in Saskatchewan.

The assurance of a stable income may be important for some landlords. The landlord does not have to worry about the effects of low grain prices or disasters. The tenant accepts all the price and production risk, and this may mean less stress for the landlord. The landlord does not have to be concerned about the honesty of the tenant, as would be the case in a crop share arrangement.

A cash lease also has advantages for the tenant. The tenant has more flexibility in making all the management decisions of what, where and when to plant, harvest and market the production. The tenant with superior management skills may be better off with a cash lease because of the potential to produce higher yields and higher net incomes.

Completing a Lease Agreement

The following steps should be taken in completing a lease agreement.

1. Read this publication and the Saskatchewan Agriculture publication entitled *Land Rental Arrangements*. Study the sample clauses carefully to determine the impacts of each clause. ***Consult with your lawyer and your accountant.***

2. Calculate what you think is an equitable rent arrangement. Working through the worksheets in the appendices will help to ensure that an equitable rent arrangement is established.

3. The landlord and tenant should meet, if possible, to discuss the terms of a prospective lease, deciding which clauses are needed and deleting the clauses that are not needed. Make changes where desired and have one party draft the prospective agreement.

4. Each party should then consult its own lawyer to determine final wording to meet the needs of both parties. Both parties sign the final copy in duplicate.

5. The landlord and lawyer should ensure that the requirements of *The Homesteads Act, 1989* are fulfilled. This Act requires that the landlord's non-owning spouse give written consent to lease out the land. A sample form entitled **Consent of Non-Owning Spouse** is provided in this publication. A homestead is any land(s) upon which the spouses have lived since their marriage and in which the owning spouse has an equity interest. A person may have several homesteads.

   The Act also requires that the non-owning spouse appear before a solicitor, notary public, Justice of the Peace, local registrar of the Court of Queen's Bench or district court judge to complete the **Certificate of Acknowledgement**. This is to ensure that the non-owning spouse understands his/her rights in the homestead, and that he/she signs the lease agreement and form entitled **Consent of Non-Owning Spouse** of his/her own free will and consent, without any compulsion on the part of the owning spouse.

   If the landlord has no spouse, or if the land in the agreement has never been part of a homestead, or if the homestead rights of the landlord's spouse were relinquished by an interspousal agreement or Court Order pursuant to *The Family Property Act*, then complete the form entitled Affidavit of Landlord.

6. It is a good practice to complete an **Affidavit of Execution**. This is confirmation by the witness that the specified individuals completed the agreement.

7. The tenant and the landlord should complete the form entitled **Consent to Make Major Improvements** prior to making major improvements on the rented land. It should be clearly outlined what buildings or improvements are to be made, who will pay the cost of materials and how the tenant will be compensated for his labour or any costs which he may incur. Attach one copy of the form to each copy of the lease agreement.

8. The tenant may wish to ensure the agreement remains in effect if the land is sold to another party. To do this, the tenant can file a caveat with Information Services Corporation of Saskatchewan (ISC), formerly the Land Titles office. Any of the ISC Customer Service Centres can assist with this process. The Customer Service Centres are located in North Battleford, Humboldt, Moose Jaw, Prince Albert, Regina, Saskatoon, Swift Current and Yorkton.

9. If the lease contains a renewal clause, the landlord and tenant can use the following forms to renew the lease agreement: **Lease Renewal**; **Consent of Non-Owning Spouse**; **Affidavit of Landlord**, and **Affidavit of Execution**. All clauses in the lease agreement should be reviewed and adjusted as required. A caveat would have to be re-filed for the new lease.

10. The form entitled **Withdrawal and Discharge of Caveat** is used to remove a caveat from the certificate of title.

(See pages 15-21 for samples of the forms.)

Establishing a Cash Rental Rate

There are three common methods to help establish a cash rental rate:

a) cost approach;
b) crop share equivalent approach; and
c) market approach.

Both parties need to look at the potential for profit calculation, or income approach (see Appendix III), to see if the cash rental rate will work. This calculation determines the amount of income or profit that can be expected from a given rental situation.

Both parties must recognize that there is little advantage to entering a rental arrangement that has no expectation of profit for the tenant or a very low return to the landlord's investment.

a) The cost approach

The cost approach is a method where the landlord decides what minimum rent is needed to cover the costs associated with owning the land. These costs include the investment cost of the value of the land in question (opportunity cost of the money).

The landlord should also consider the cost of property taxes and the leased buildings' investment cost, repairs, depreciation and insurance.

Key advantages/disadvantages of the cost approach:

- the rent is simple to calculate;
- rental rates do not fluctuate wildly from year to year;
- rental rates do not fluctuate with crop or crop input prices;
- rate of return for landlord is equal to selling the land and investing the money; and
- does not look at any interests of the tenant.

Appendix I provides a worksheet that can be used to calculate the landlord's costs.

b) The crop share equivalent approach

The crop share equivalent approach is a method where the cash rental is calculated to be equal to a projected crop share rent, but rather than pay the landlord in crop, the tenant pays an equal amount in cash.

The landlord and tenant have to decide which crops are to be included in the calculations as well as which production levels (area average or individual yields) are to be used. It would be a good practice to go through the calculation to determine what crop share should be used.

This calculation is described in the publications entitled *Land Rental Arrangements* and *Crop Share Lease Agreement* published by Saskatchewan Agriculture and available by phoning the Agriculture Knowledge Centre or checking the Saskatchewan Agriculture website at www.agriculture.gov.sk.ca.

This method equates the cash rental to what it would have been under a crop share. However, there is a significant difference. The calculations are based on projected production and revenues and do not take into consideration the price and production risk. A rental discount needs to be applied to the calculated amount to offset the extra risk that the tenant assumes.

If you have a rental arrangement that you expect will continue for several years, there are some options that can be incorporated to ease the cyclical nature of farming.

For example, both parties can agree to re-calculate the rent each year based on the previous year's prices and yields. Now, it doesn't really help in the bad year, but it is comforting to know that after a bad year, the upcoming year will have lower rent. Remember, the reverse happens too. The landlord, strictly speaking, still does not accept any price or production risk, but the landlord accepts some of the risk of the cyclical nature of farming.

The key advantages/disadvantages are:

- the rent is somewhat more complicated to calculate;
- rental rate could fluctuate much from year-to-year, or as often as the lease is re-negotiated; and
- no production or price risk is assumed by the landlord. However, calculations of rental rates are affected by the tenant's production figures.

Appendix II provides a worksheet that can be used to calculate a rent amount using the crop share equivalent approach.

c) The market approach

The market approach is based on other cash rental agreements in the community. Talking to neighbours and others who rent land can provide valuable information to determine what is happening locally. Both parties need to work through the calculations to determine if the community standards are acceptable.

Adjustments will need to be considered to fairly compare the productive value and condition of the land to be leased to other leased land in the area.

Another way to find out about the local market is to advertise and *call for tenders* where the interested people, in writing, tell what they would offer.

The *call for tenders* is more common among landlords who know little about farming, those who no longer live in the area, those who do not wish to assume any of the risk, or those who need a constant, guaranteed cash flow.

The key advantages/disadvantages are:

- the rent is easy to determine;
- the rent does not fluctuate with crop or crop input prices; and
- the landlord assumes no production or price risk.

For more information and examples on the above approaches to cash rental calculations, review the publication entitled *Land Rental Arrangements*, published by Saskatchewan Agriculture.

Risk and Rent Discounts

In a fixed cash rental agreement, the landlord assumes no risk. The rent is agreed to prior to seeding and thus the tenant accepts all the price and production risk. This is the main reason why crop share rental needs to be discounted in cash lease agreements.

The second reason for discounts is to account for the fact that, in most cases, some or all of the rent is received prior to when it would have come from a crop share. It is common that part of the rent is paid prior to seeding.

Cash lease agreements often discount the crop share amount by five to 20 per cent, depending on the terms of the lease.

Some common examples of discounts are:

- up to five per cent reduction because the landlord accepts only some of either price **or** production risk, or
- up to 10 per cent reduction because the landlord accepts no price **and** production risk (cash leases).

Additional discounts, considering time value of money:

- up to five per cent reduction if one half of the rent is paid in advance of seeding, and the balance in advance of marketing, or
- up to 10 per cent reduction if full rent is paid in advance of seeding.

In the majority of cases, the property taxes are paid by the landlord. If the tenant is paying some or all the taxes, the cash lease will need to be discounted.

Other Issues

From time to time, there are payments made by various governments to farmers or landowners. Clause 15 of the sample *Cash Lease Agreement* provides an example of how these payments may be shared. This clause should be carefully reviewed and amended to meet the requirements of both the landlord and tenant.

Liability protection for both the landlord and tenant is becoming an important issue. Failure by a tenant to adhere to environmental laws could impact both parties. Included in this is the issue of manure management.

A landlord should address this issue in the lease agreement especially if there are intensive livestock operations in the area. In an agreement, the clause should refer to soil test recommendations as the measuring tool as well as protecting against nutrient loading. In all cases, the amount of manure, fertilizer or soil amendments should be restricted so that overloading does not occur.

Another issue is smoke from burning of crop residues. If this smoke causes an accident on a roadway, that fire may have legal implications. The issue is to try to take steps to protect against legal actions caused by one of the parties. As stated many times in this publication, consultation with a lawyer is recommended.

The incorrect handling and application of pesticides can create many problems. Herbicide carryover or herbicide resistant weeds, or chemical drift and spills are all concerns landlords should seek protection from in the lease agreement.

A landlord does not want to bear any responsibility for spills and chemical drift. Landlords need to ensure protection against damage on adjacent lands as well as on the landlord's own shelter belts and yardsite.

First, the landlord will have to decide on the level of involvement, both in terms of time and knowledge, in the determination of which pesticides can be used, rates and what is not allowed on the land. Creating a list of pesticides that could not be used is one method.

Second, a landlord could require the tenant to supply the landlord with detailed pesticide records each year of the lease. This information is very important to a new incoming tenant who wishes to plant a sensitive specialty crop.

Third, a landlord may want to take the initiative to require a full-fledged cropping plan to be developed and approved jointly between the landlord and tenant.

Such an agreement could include which crops to grow, fertilizer rates, pest control options, harvesting standards and summerfallow requirements.

If such a plan were developed, the resulting lease agreement would no longer require many of the clauses which speak directly to seeding, summerfallow, pesticides, and so on. It is important to remember that, for each option, it may take considerable time for both parties to come to an agreement.

Carbon sequestration is a relatively new issue for landlords and tenants. Carbon credit payments can be received for land that is farmed with specific production practices. Crops can include grain or forage. Both landlords and tenants should understand their rights and obligations within these contracts. You may want to seek legal advice. Landlords and tenants should negotiate who receives what portion of the carbon credit payments. These terms should be documented within the lease agreement.

Written and verbal lease agreements should have an agreed-upon end date that fulfills both the landlord's and tenant's needs. New leases should be re-negotiated or terminated at a reasonable time prior to the end date for the original term.

The early renegotiation of leases allows the lessee time to arrange for seed, fertilizer, herbicides and equipment.

If the lessee is terminating a lease arrangement, then early notification gives the landlord time to arrange for someone else to farm the land.

Mutual consideration and early negotiations will assist both parties.

Sample Cash Lease Agreement

This lease made in duplicate the _____ day of _____ AD 20_____

between

_____ of _____
(Landlord's Name) (Address)

in the Province of Saskatchewan hereinafter called the "landlord" being the registered owner or the purchaser under an Agreement for Sale of Land described below, and

_____ of _____
(Tenant's Name) (Address)

in the Province of Saskatchewan hereinafter called the "tenant."

1. Witness that in consideration of the rents, covenants, promises and agreements contained in this lease on the part of the tenant to be paid, observed and performed, the landlord does hereby lease to the tenant the following farm lands and premises situated in the Province of Saskatchewan, that is to say:

Land (legal description): _____

_____

_____

hereinafter called "the land."

Together with the following portable buildings, namely:

Portable Buildings:

_____

_____

Excepting and reserving unto the landlord the following lands and buildings, namely:

Lands Reserved:

_____

_____

Buildings Reserved:

_____

_____

2. Term

This lease shall continue in force on the said land and premises for and during the term of _____ years, from the _____ day of _____ AD 20_____ to the _____ day of _____ AD 20_____.

Any overholding by the tenant shall be considered a trespass.

3. Rental

The tenant will pay to the landlord the yearly rental of $_____ for the use of the said land during the said term.

- or -

The tenant will pay to the landlord the yearly rental of $_____ for the cultivated portion of the land plus the yearly rental of $_____ for the grazing portion of the land during the said term.

(1) To be paid in full on or before _____ for each year of this agreement.
(Date)

- or -

(2) _____ to be paid on or before _____
(1/3, 1/2, etc.) (Date)
and the balance paid on or before _____ for each year of this agreement.
(Date)

- or -

(3) To be paid as follows:

_____
_____
_____
_____
_____

4. Saskatchewan Laws Apply

The contents of this agreement shall for all purposes be construed according to the laws of the Province of Saskatchewan and any cause of action arising hereunder shall be entered and tried in the judicial centre serving the area of Saskatchewan in which the land of this agreement is located.

5. Landlord and Tenant Definitions

The terms "landlord" and "tenant" shall include their heirs, executors, administrators, successors and assigns in the singular or plural number and feminine or masculine gender when the context or the parties so require and all the covenants shall be construed as being joint and several.

6. Cropping Plans

The tenant shall make all decisions with respect to growing crops or raising livestock on the land unless stated otherwise in this agreement, and as such the tenant shall be responsible for all costs of farming the said land unless stated otherwise in this agreement.

- or -

The tenant and landlord will agree on an annual cropping plan by _____ of each year. The cropping plan will include crops to be grown, livestock to be raised, pesticides to be used and conservation practices to be employed, for each year, unless stated otherwise in this agreement.

7. Resource Protection

The tenant shall:

a) cultivate, seed, control weeds, insects and disease, harvest crops and raise livestock on the land in a sustainable manner;
b) use pesticides in accordance with labelled directions; and
c) minimize soil loss from erosion with the use of, but not limited to, crop residue management, conservation tillage, grassed waterways, stripcropping, tree planting or other accepted conservation practices.

The tenant shall not:

a) allow overgrazing of any of the land that is in grass or forages;
b) overload nutrient levels on the land or adjacent water bodies;
c) allow pesticide to drift on to non target lands, including adjacent crops, shelterbelts and yardsites;
d) accumulate, permit or allow the accumulation of any waste material, debris, refuse or garbage; or
e) allow any site contamination such as, but not limited to, chemicals, oil spills, hydro carbons or any other waste materials on the land or adjacent water bodies.

8. Pesticides

The tenant will make all decisions on which pesticides are to be used on crops grown on the land.

- or -

The tenant and landlord will agree on which pesticides can be used on the land as stated in the cropping plan. In addition to the cropping plan, by December 31 of each year of this lease, the tenant must supply the landlord with a listing of what pesticides were applied to crops growing on the land over the past cropping season.

- or -

The tenant is prohibited from using the following pesticides, unless mutually agreed upon:

_____

_____

_____

_____

_____

9. Use of the Land

The tenant will use the lands and premises for the purpose of growing crops or forages or the pasturing of livestock and the tenant shall not, without the written consent of the landlord:

a) sublet, or assign this lease, or any part thereof, or any interest therein without obtaining the written consent of the landlord to the sublease or assignment;
b) change the natural course of any waterways on the said land;
c) cut down trees growing upon the land, nor will he permit any other person to do so;
d) allow the entry of any persons for the purpose of outfitting, eco-tourism, picking of berries or flowers or any such plant materials;
e) remove any sand, gravel, clay, stone or other such substances existing on, or under the surface of said land; or
f) bring into cultivation any new lands.

10. Crop Residues and Fire

Crop residues including straw, chaff and stubble remaining after harvesting the crops on the land shall not be burned, baled or otherwise removed, used or disposed of without the consent of the landlord.

11. Weed Control

The tenant shall control all noxious weeds on the subject lands and maintain all summerfallow in a reasonably weed-free condition. The tenant shall summerfallow not less than _____ acres of the said land each year during the term of this lease. In the final year of this lease agreement the tenant shall summerfallow, in a proper manner, _____ acres of the said land.

At the termination of this lease, if the amount of summerfallow on the land exceeds the sum of _____ acres, the landlord will pay to the tenant an amount equal to $_____ per acre for every such acre in excess and in the event the amount of summerfallow does not exceed the sum of _____ acres the tenant will pay the landlord an amount equal to $_____ per acre for every acre so deficient.

12. Crop Insurance

With respect to the Saskatchewan Crop Insurance program, the tenant has the option to take a Crop Insurance contract and in so doing shall absorb the total cost of coverage and receive all the benefits.

13. Other Insurance

Insurance on all leased buildings in this agreement shall be the responsibility of the landlord.

The landlord and tenant are free to make their own arrangements regarding other production and all risk insurance and in so doing shall absorb the total cost of coverage and receive all the benefits.

14. Storage of Grain

The landlord will provide _____ tonnes/bushels of grain storage. The tenant will provide any additional grain storage.

15. Government Income Support Payments and Subsidies

In the event that any payment, subsidy or other reimbursement is made under any government agency or any marketing agency in connection with income support to the actual producer of crops grown on the leased lands during the term of this lease, the payments identified with the leased land shall be paid to the tenant unless otherwise agreed upon.

Should such payment, subsidy or other reimbursement be made to the landowner during the term of this lease, the payments shall be paid to the landowner unless otherwise agreed upon.

Where contributions are required for entitlement to any payment, subsidy or reimbursement the landlord and tenant shall mutually agree as to the sharing of the costs and income. The following are included and shared as set out:

_____

_____

_____

16. Compensation for Oil and Gas, Utilities, Roads, and Rights-of-Way

Compensation for reasons such as, but not limited to, property damage and inconvenience from oil and gas exploration, pipeline development, power and telephone line installations, or road construction, shall accrue to the party that has suffered the loss. The landlord will have the final say on who has suffered the loss except as follows:

a) where the compensation is for crop damage, the compensation will be paid to the tenant.
b) where the compensation is for work completed by the tenant such as, but not limited to, fence re-construction, grass reseeding or top soil levelling, the compensation will be paid to the tenant.
c) where the compensation is for the creation of a nuisance situation such as, but not limited to, gates being left open, dust or noise, the compensation will be paid to the tenant.
d) where the compensation is for a decrease in the land's value such as, but not limited to, loss of acres from the development, severing a parcel of land or top soil disturbance, the payment shall be made to the landlord.

- or -

Compensation for reasons such as, but not limited to, property damage and inconvenience from oil and gas exploration, pipeline development, power and telephone line installations, or road construction, shall accrue to the landlord.

- or -

Compensation for reasons such as, but not limited to, property damage and inconvenience from oil and gas exploration, pipeline development, power and telephone line installations or road construction, the landlord and tenant shall, by mutual agreement, determine which party is to receive the compensation. If mutual agreement cannot be reached, it shall be submitted to arbitration in accordance with *The Arbitration Act, 1992*.

17. Taxes

The cost of all municipal and school taxes on the land included in this lease shall be paid by the landlord.

- or -

The costs of all municipal or school taxes on the land included in this lease shall be paid as set out in the following statement:

_____

_____

18. Improvements

The tenant shall not make major improvements, other than what is considered normal repair and maintenance, to the leased land or any other assets identified in this agreement without written permission of the landlord. Major improvements, which without restricting the generality of the term, shall include: water development, erosion control, fencing and building construction, clearing, breaking and seeding to pasture and hayland. Such consent shall be attached to and form part of the lease agreement. The amount of compensation shall be an amount agreed upon by the landlord and tenant.

Title to all improvements shall vest in the landlord and no improvements shall be sold, removed, disposed of or encumbered without the written consent of the landlord.

19. Repair of Buildings, Fences and Improvements

Responsibility for normal maintenance and repair to buildings, fences and improvements shall be as follows:

Tenant's Responsibility (list items):

_____

_____

_____

_____

_____

_____

Landlord's Responsibility (list items):

_____

_____

_____

_____

_____

_____

20. Grain Stored on Land at Commencement of Lease

In the event that marketing facilities prevent the landlord from delivering the grain previously grown and stored on the said leased premises at the commencement of this lease, it is agreed that such undelivered grain may be stored on the said land for a period not exceeding _____ months after the commencement of this lease without charge for storage or interference from the tenant. However, the landlord must not deliver any other grain in priority to the grain stored on the leased premises. During this period, the landlord has the right to entry to obtain any grain or fodder which he has stored on the said property.

21. Grain Stored on Land at Termination of Lease

In the event that the harvesting and marketing conditions prevent the tenant from delivering the grain grown and stored on the leased land during the term of this lease, such grain may be harvested and removed from the landlord's property according to *The Agricultural Leaseholds Act*.

22. The tenant shall protect the said land and indemnify the landlord in regard to any and all liens and charges by reason of or in any way accruing from the construction of any building or the making of any improvements thereon done by or on behalf of the tenant.

23. The tenant shall indemnify and save harmless the landlord against all claims, liabilities, demands, damages or rights or causes of action whatever made or asserted by anyone arising out of OR incidental to this indenture or use or occupancy of the said lands and premises.

24. That if the term hereby granted or any of the goods and chattels of the tenant or his assigns shall be at any time seized or taken in execution or in attachment by any creditors of the tenant or his assigns, or if the tenant or his assigns shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors, or if any writ of execution shall issue against the goods and chattels of the tenant or his assigns, the then current year's rent shall immediately become due and payable, and the said term shall immediately become forfeited and void at the option of the landlord.

25. That if the rent reserved or any part thereof be in arrears whether such rent has been demanded or not, or if there be default, breach or non-observance by the tenant at any time or times of any covenant, proviso, condition or reservation herein contained, which on the part of the tenant ought to be observed or performed, whether such covenant be positive or negative, or if there be any seizure or forfeiture of the said term for any of the causes herein specified, then the landlord or his agents may enter upon the said lands and premises and thereafter have, possess and enjoy them as if his indenture had not been made, and no acceptance of rent subsequent to any breach or default other than non-payment of rent nor any condoning, excusing or overlooking by the landlord on previous occasions of breach or defaults similar to that for which re-entry is made shall be taken to operate as a waiver of this condition, nor in any way defeat or affect the rights of the landlord herein.

26. The tenant shall at the expiration of the said term or other sooner determination of this lease peaceably and quietly leave, surrender and yield up onto the landlord the said lands and premises in good and sufficient repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted.

27. If the tenant fulfils the terms and conditions of this agreement, the tenant shall and may peaceably possess and enjoy the said land for the said term, without any interruption or disturbance from the landlord or any representative of the landlord.

28. The landlord or a representative of the landlord has the right at all reasonable times to attend and inspect the said property. The landlord reserves the right of entry and exit over and upon the land in this agreement to use any land and buildings expressly excluded from this agreement.

29. If either party shall fail in any respect to carry out any of the provisions of this lease agreement, the other may have the same done, and the costs shall be paid by the party failing to carry out the said provisions.

30. Renewal
The term of this lease may be extended by mutual agreement between the landlord and tenant for a further period upon the same terms and conditions as contained herein, except as otherwise agreed in writing by the parties executing a renewal statement.

31. Incoming Tenant
An incoming tenant, purchaser or the landlord shall have the right to enter on the land contained in this agreement after harvest in the fall preceding the expiration of the said term for the purpose of preparing the land for crop.

32. Arbitration
The landlord and tenant may by mutual agreement submit any disagreement, which may arise with respect to the terms and conditions of this lease to arbitration in accordance with *The Arbitration Act*.

33. Termination
The landlord and tenant may mutually agree to terminate this lease at any time.

I, _____ do hereby accept this lease of the above
(Tenant's Name)

described land to be held by me as tenant, and subject to the conditions, restrictions and covenants above set forth.

In Witness whereof the parties have set their hands and seals this _____ day of _____ AD 20___.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

_____
(As to the execution by landlord)

_____
(Signature of Landlord)

AND IN THE PRESENCE OF:

_____
(As to the execution by tenant)

_____
(Signature of Tenant)

Sample Forms

Consent of Non-Owning Spouse

I, _____, non-owning spouse of _____.
(Landlord's Spouse) (Landlord's Name)
consent to the attached disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the above/attached disposition in favour of _____ to the extent necessary to give effect to this lease.
(Tenant's Name)

_____
(Signature of Non-Owning Spouse)

Certificate of Acknowledgement

I, _____, _____,
(indicate capacity)
certify that I have examined _____, non-owning spouse of
(Landlord's Spouse)
_____, the owning spouse, in the above/attached lease
(Landlord's Name)

separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:

(a) signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and
(b) understands his or her rights in the homestead.

I further certify that I have not, nor has my employer, partner or clerk, prepared the above/attached lease and that I am not, nor is my employer, partner or clerk, otherwise interested in the transaction involved.

_____
(Signature)

(Lawyer, Notary Public, Justice of the
Peace, Registrar of Land Titles Office,
Local Registrar of the Court of Queen's Bench)

Affidavit of Landlord

I, _____ of _____,
in the Province of Saskatchewan, make oath and say that:

1. I am the landlord.

2. My spouse and I have not occupied the land described in this disposition as our homestead at any time during our marriage.

- or -

2. I have no spouse.

- or -

2. My spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition.

- or -

2. My spouse and I have entered into an interspousal agreement pursuant to *The Matrimonial Property Act* in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.

- or -

2. An order has been made by Her Majesty's Court of Queen's Bench for Saskatchewan/Unified Family Court pursuant to *The Matrimonial Property Act* declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

- or -

2. My spouse is the landlord named in this disposition.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 20____.)
)
)
)
)
_____) _____
(A Commissioner for Oaths in and for the) (Signature of Landlord)
Province of Saskatchewan. My Commission)
expires _____, 20___.))

Affidavit of Execution

To Wit:

I, _____ of _____, in the Province of Saskatchewan, make oath and say:

1. That I was personally present and did see _____ (Landlord's Name) and _____ (Tenant's Name) named in the within instrument who are personally known to me to be the persons named therein, duly sign and execute the same for the purposes named therein.

2. That the same was executed at the _____ of _____, in the Province of Saskatchewan, and I am the subscribing witness thereto.

3. That I know the said landlord and tenant and they are in my belief of the full age of eighteen years.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 20____.)
)
)
)
)
_____)
(A Commissioner for Oaths in and for the)
Province of Saskatchewan. My Commission)
expires _____, 20___.))
)

_____
(Signature of Witness)

Consent to Make Major Improvements

Re: Land Lease Agreement between _____ and
(Landlord's Name)
_____ on the following farm land and premises:
(Tenant's Name)

_____
_____
_____
_____

from _____ day of _____ AD 20___ to _____ day of _____ AD 20___.

I, _____ do hereby authorize
(Landlord's Name)
_____ to make the following major improvements
(Tenant's Name)
on the said land which shall become part thereof and vest in the landlord at the expiry or termination of the lease:

_____
_____
_____
_____
_____

In so doing, the landlord will pay the tenant the following compensation for the improvements made:

_____
_____
_____
_____
_____

_____
(Date)

_____ _____
(Witness) (Signature of Landlord)

_____ _____
(Witness) (Signature of Tenant)

Lease Renewal

We, _____ of _____ and
(Landlord's Name) (Address)

_____ of _____.
(Tenant's Name) (Address)

being parties to a land lease agreement for the term of _____ years from _____ day of

_____ AD 20____ to the _____ day of _____ AD 20____

on the following farm land and premises:

_____

_____

do hereby extend the term of the said agreement for the space of _____ years from _____ day of

_____ AD 20____ to the _____ day of _____ AD 20____

according to the terms and conditions outlined in the said agreement unless specified differently,

that is to say:

_____

_____

I, _____, of _____.
(Tenant's Name) (Address)

do hereby accept this lease of the above described land, to be held by me as tenant, and subject to the

conditions, restrictions and covenants set forth above.

In witness whereof the parties have set their hands and seals this _____ day of _____ AD 20___.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:)

_____)
As to the execution by landlord) _____
) (Signature of Landlord)
AND IN THE PRESENCE OF:)

_____)
As to the execution by tenant) _____
) (Signature of Tenant)

Caveat

To the Registrar of the _____ _____ Land Registration District.

Take notice that I, _____ _____ of _____ claiming a
(Tenant's Name)
leasehold interest as tenant under a lease agreement between _____
(Landlord's Name)
and _____ on the following property (description):
(Tenant's Name)

_____

_____

from _____ day of _____ AD 20___ to the _____day of _____ AD 20___ forbid the registration of any transfer or other instrument affecting such land or the granting of a certificate of title hereto except subject to the claim herein set forth.

My address in Saskatchewan is:

_____

Dated this _____ day of _____ AD 20___ _____
(Signature of Tenant)

I, the above named _____ of _____
(Tenant's Name) (Address)
make oath and say:

1. That the allegations in the above Caveat are true in substance and in fact, to the best of my knowledge, information and belief.

2. That the claim mentioned in the above Caveat is not, to the best of my knowledge, information and belief founded upon a writing or a written order, contract or agreement for the purpose of delivery of any chattel or chattels within the prohibition contained in Section 151 of *The Land Titles Act*.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 20____.)
)
)
)
)
_____)
(A Commissioner for Oaths in and for the)
Province of Saskatchewan. My Commission)
expires _____, 20___.))

_____
(Signature of Tenant)

Withdrawal and Discharge of Caveat

To the Registrar of the _____ Land Registration District.

I, _____ (Tenant's Name) of _____ (Address),

do acknowledge that _____ (Tenant's Name) have no further interest under

the Caveat made by _____ claiming a leasehold interest as

tenant in (land description):

_____

_____

_____

which Caveat bears the date of the _____ day of _____ AD 20___

and was registered in the Land Titles Office for the _____

Land Registration District on the _____ day of _____ AD 20___.

Caveat Number _____, and that such Caveat is hereby withdrawn and discharged. In

witness whereof I have hereunto set my hand and seal this _____ day of

_____ AD 20___.

Signed by the above named in the presence of)

)

)

)

)

)

)

_____ _____)

(Witness)) (Signature of Tenant)

Appendix I: Cost Worksheet

Landlord's Cost Per Cultivated Acre

Land Investment Cost

Land value = $_____

$_____ per acre x _____% = $_____

Property Taxes per acre $_____

Buildings

Building value = $_____

$_____ x _____% = $_____
(building value/acre)

Depreciation per acre
= original cost - salvage value
years of use

= (_____) - (_____) = $_____
years of use

Repairs/acre $_____

Insurance/acre $_____

Other costs $_____

Landlord's Total Costs Per Cultivated Acre $_____

Appendix II: Crop Share Equivalent Worksheet

Expected income

Crop	Acres	x	Yield	x	Price	=	Total Income
_____	_____	x	_____	x	_____	=	_____
_____	_____	x	_____	x	_____	=	_____
_____	_____	x	_____	x	_____	=	_____
_____	_____	x	_____	x	_____	=	_____
_____	_____	x	_____	x	_____	=	_____
_____	_____	x	_____	x	_____	=	_____

Other Income _____ = _____

_____ = _____

Total Expected Income _____ **(A)**

Landlord's Share = _____ x _____ % = _____ **(B)**
(Amount A) (1/3, 1/4, or % Share)

Discount Amount = _____ x _____ % = _____ **(C)**
(Amount B) (% Discount)

Suggested Rent (B-C) = _____

Appendix III: Net Income Worksheet

Expected Income

Crop	Acres	x Yield	x Price	= Total Income	Landlord's Share	Tenant's Share
_____	_____	x _____	x _____	= _____	_____	_____
_____	_____	x _____	x _____	= _____	_____	_____
_____	_____	x _____	x _____	= _____	_____	_____
_____	_____	x _____	x _____	= _____	_____	_____
Other Income				_____	_____	_____
Total Expected Income				_____ (A)	_____ (A)	_____ (A)

Estimated Costs

	Total Cost	Landlord's Share	Tenant's Share
Seed and Seed Related Costs	_____	_____	_____
Fertilizer	_____	_____	_____
Pesticides	_____	_____	_____
Buildings			
- Repairs and Depreciation	_____	_____	_____
- Investment Cost	_____	_____	_____
Crop and Hail Insurance	_____	_____	_____
Property Taxes	_____	_____	_____
Custom Work Hired	_____	_____	_____
Hired Labour	_____	_____	_____
Rent (if a cash rent)	_____	_____	_____
Interest on Operating Capital	_____	_____	_____
Machinery			
- Fuel and Lubricants	_____	_____	_____
- Repairs and Maintenance	_____	_____	_____
- Depreciation	_____	_____	_____
- Investment Cost	_____	_____	_____
- Insurance	_____	_____	_____
Trucking	_____	_____	_____
Other Costs	_____	_____	_____
Total Costs	_____ (B)	_____ (B)	_____ (B)
Return above costs = Profit (A - B = P)	_____ (P)	_____ (P)	_____ (P)

For more information, contact
a Regional office
of the
Saskatchewan Ministry of Agriculture
or the
Agriculture Knowledge Centre.

Phone (toll free): 1-866-457-2377
Fax: 1-306-694-3938
E-mail: aginfo@gov.sk.ca
Out-of-province inquiries can phone 1-306-694-3727.

Saskatchewan
Ministry of
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